

AGN. NO. _____

MOTION BY SUPERVISORS SUPERVISOR HILDA L. SOLIS AND
SUPERVISOR SHEILA KUEHL – REVISED

August 11, 2015

On June 30, 2015, the Safe Neighborhood Parks Proposition (Prop A) of 1992 expired. The voter-approved Prop A extension of 1996 is set to expire on June 30, 2019. In an effort to establish a continued funding stream for park infrastructure, Los Angeles County attempted to pass Proposition P but was unsuccessful in 2014.

The County is currently undertaking a community-driven, countywide Parks and Recreation Needs Assessment. The assessment includes a comprehensive analysis of public parks, open space, recreational assets and existing infrastructure needs, including those located in the County's 88 cities, State and local agencies, town councils and non-profit organizations. The final Needs Assessment report will identify potential projects by geographic area, including standardized cost estimates and prioritized projects for future park development.

Given the looming expiration of Prop A (1996) and the extensive countywide need, it is important to explore funding options for future parks and recreation projects in Los Angeles County. On April 7, 2015 Supervisors Solis and Kuehl asked the Interim CEO and the Director of Parks to report back on two items:

- Identified sources of current funding available for park and recreational

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capital projects.

- Recommendations for a mechanism and expenditure framework to fund future park and recreation projects throughout the County, inclusive of the 88 cities and local agencies.

For the Identified Funding Sources, the Interim CEO reported back the following:

1. Fiscal Year 2015-2016 Recommended Budget does not contain any unallocated on-going funds that may be allocated for parks and recreation or beach capital projects.
2. SB 90 Mandates: It is projected that the County may receive up to \$109.4 million for reimbursement of prior years' claims and \$25.9 million for interest accrued while the claims were outstanding. Specific information on the payment of the claims and reconciliation of the final amounts that may be available for County discretionary allocation are still unknown, at this time. The Board requested the CEO to report back on the availability of SB 90 funds 30 days after the receipt of these funds.
3. On-going "Redevelopment Dissolution" revenues to the General Fund are all allocated to fund on-going programs. To date, the majority of one-time redevelopment dissolution funds have been allocated by the Board to the Community Development Commission for housing and economic development programs.
4. User Utility Tax Revenues have been allocated entirely to programs in the unincorporated areas since the taxes are generated from those areas. There are no additional on-going revenues generated from these taxes, at this time for discretionary use.

For the Mechanism and Expenditure Framework - When the Board contemplated a park

and open space funding measure in the spring of 2014, County Counsel and the District recommended that the best mechanism for a future local funding measure would be a special tax. This special tax would raise revenue to continue funding for Parks and Recreation capital projects for the County and all 88 cities and would be imposed on all parcels of real property located within the County of Los Angeles. The Los Angeles County Open Space District reported on the following options:

- A. "Flat Tax" - A uniform tax in amount, assessed on each parcel of secured real property throughout the County. This was the structure utilized by the recent Proposition P, which received 62.89% of the required 66.66% necessary for passage in the November 2014 election. Proposition P would have assessed a special tax in an annual amount of \$23 on each parcel within the County, regardless of the size of the parcel or improvements thereon. Any future flat tax would be calculated at a rate determined, in large part, by the forthcoming Countywide Parks and Recreation Needs Assessment ("Needs Assessment") final report.
- B. "Square Footage Tax" - A special tax levy that is calculated based on the square footage of structural improvements on each parcel of secured real property throughout the County. This is how the current Special Tax levied by the County of Los Angeles for the Trauma Centers, Emergency Medical Services, and Bioterrorism Response ("Trauma Tax") is calculated. The Square Footage Tax levies an amount on all improved parcels in the County, per square foot of structural improvements, excluding the square footage of improvements used for parking. Annually the Board can set the rate based on the Consumer Price Index. If for any fiscal year the Board fails to set the rate, the tax shall continue at the

same rate as the preceding year. Presently, the Trauma Tax, by way of comparison, is assessed at a rate of 4.24 cents per square foot of structural improvements. Similar to a flat tax, a Square Footage Tax would be calculated at a rate determined by the 2016 Countywide Needs Assessment final report.

WE, THEREFORE, MOVE that the Board of Supervisors instruct the Director of the Department of Parks and Recreation (Director) through the Regional Parks and Open Space District (District) to work with the Interim Chief Executive Officer, County Counsel and other County departments to utilize internal and external expertise as needed to:

1. Conduct extensive analysis of potential funding mechanisms and report back with a recommended model that is most viable for future park projects, including costs and potential funding levels. The evaluation shall include, but not be limited to:
 - a) Comparison between a flat tax and special tax such as a square footage tax;
 - b) Comparison between a 30-year, 40-year and non-sun-setting option;
2. Establish a small working group consisting of board offices and departmental representatives to develop a comprehensive expenditure plan to allocate tax revenues aimed at acquiring, improving and developing park and recreation facilities throughout the County. The expenditure plan shall reflect findings and priorities identified in the Parks Needs Assessment with attention paid to equitable distribution.
3. Develop a communications plan to inform and educate communities about

the many projects completed as a direct result from Prop A 1992 and 1996 as well as the identified need and opportunities in the County's Parks Needs Assessment.

4. Pursue amendments to California Public Resources Code §§5500-5595 to expand funding sources available to the District and make technical updates to the District's enabling legislation.
5. Instruct the District to fund the tasks above from its Administrative Fund in the amount not to exceed \$2,000,000.

Report back to the Board in May 2016.

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